

February 28, 2024  
Regular Meeting  
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, February 28, 2024 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Andrew Shelton, Vice President Doug Williams and Directors Sonny Flores, Joe Tonascia and Mark Wright. Also present were General Manager Steve Wittry, District Counsel Jeremy T. Liem, Manager of Administration, Finance and Business Services Megan Holland, Deputy District Engineer Rob Hillebrecht, Operations and Maintenance Manager Michael Craig, Senior Engineer David Macdonald, Water Resources Technician II Dustin Franco, Water Programmer III Anne Stull, Office Specialist I Jennifer Cosio Arellano and Executive Assistant/Board Clerk Barbara Mauro.

**CALL TO ORDER**

The meeting was called to order by President Shelton at 5:00 p.m.

- a. Pledge of Allegiance to the Flag**  
President Shelton led the Pledge of Allegiance.
- b. Roll Call**  
Mrs. Mauro called roll; members present were: President Shelton, Vice President Williams and Directors Flores, Tonascia and Wright.
- c. Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 8:00 p.m.**
- d. Approval of Agenda**  
With a motion by Director Tonascia and a second by Director Flores, the Agenda was approved by 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Williams.
- e. Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda**  
There were no public comments.

**CONSENT AGENDA:**

- 1. Approval of Minutes for: January 31, 2024 Regular Meeting**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the February Board Meeting**
- 4. On Call Contracts – Status Updates**

With no questions from the Board, a motion was made by Director Williams and seconded by Director Wright; the Consent Agenda was approved by 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Williams.

## **REGULAR AGENDA**

### **5. Presentation of FYE 2023 GASB 68 & GASB 75 and Actuarial Report by Foster & Foster LLC**

Ms. Holland stated both reports are completed annually and introduced Kateryna Pryor from Foster & Foster LLC who will make the presentation to the Board.

Ms. Pryor, using a PowerPoint presentation, reviewed the GASB 68 and 75 reports for the Board. She reported the 68 is for the CalPERS Retirement Net Pension and the 75 is the Public Health Report. Ms. Pryor provided a brief overview and reviewed the changes from 2021, to 2022 and then to 2023 and the reasons behind them.

Director Tonascia asked if the District needs to add funds in or if we were over-funded; Ms. Holland stated neither, staff is recommending no changes.

Director Flores asked if the District is 99% funded and Ms. Holland verified that is correct.

### **6. Consider Resolution Setting Forth its Intentions Regarding Percolation of San Felipe Project Water for Water Contract Year 2024-2025**

Mr. Wittry reported the District considers this item annually once it has received the water allocation. Historically, the District attempts to use 10% of its total water allocation for percolation. The initial 2024/2025 allocation is 15% for Agriculture and 65% of historical use for Municipal and Industrial. Using the standard template from recent years would be 10% or for this year, approximately 1000 AF, but trying to be flexible in light of the high potential for revisions to the allocations, the draft resolution is for 10% +/-, not a specific number.

Director Tonascia stated the District didn't percolate 10% last year and hopes there is a better mechanism this year; the committee discussed 10% as a target but did not want to limit if water was available. Mr. Wittry added in the current water year, the District percolated approximately 2000 acre feet.

With a motion by Director Tonascia and a second by Director Williams, the Board of Directors approved Resolution #2024-02, *A Resolution of the Board of Directors of the San Benito County Water District Setting Forth Its Intentions Regarding Percolation of San Felipe Project Water for Water Contract Year 2024-2025* with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

### **7. Committee/Agency Representative Reports:**

#### **a. San Luis and Delta-Mendota Water Authority (Tonascia/Wittry)**

As per Director Tonascia, Mr. Wittry will cover this under his Manager's report.

#### **b. Water Resources Association (Flores/Shelton)**

As per Director Flores, general business was discussed. Mr. Novack also covered conservation topics.

#### **c. Administration Committee (Flores/Shelton)**

As per Director Shelton, the committee discussed LAFCo and revising the Procurement Policy.

**d. Finance Committee (Tonascia/Shelton)**

As per Director Tonascia, the committee reviewed the 2<sup>nd</sup> quarter reporting, and they discussed setting up the report a little different in the future.

**e. Personnel Committee (Flores/Tonascia)**

As per Director Flores, the committee discussed some needed personnel policy revisions.

**f. Zone 6 Water Supply and Operations Committee (Tonascia/Wright)**

As per Directors Tonascia and Wright; the committee discussed the percolation resolution. Director Tonascia added the District will be giving a 35% water allocation to the Ag contract accounts.

**8. Monthly Operations and Maintenance Report**

Mr. Craig reported staff is busy with the end of the water year, reading meters. Also, staff will be installing a new pressure relief valve in San Juan Bautista, but it will not affect operations in sub-10. Also, staff will be mowing and spraying in Zone 3.

Mr. Craig then reviewed photos of the break at Fairview and Highway 156. It was a very challenging repair which was in the middle of a road, and near a gas and power line. The total repair took about 3 weeks. It was also near the wire for the traffic signal sensor, which cannot be spliced so any damage would require complete replacement which is a costly repair. Director Wright asked if there was any determination on what caused the break. Mr. Craig stated they still don't know. Director Wright asked about whether there was adequate reinforcement around our pipe when they put the new road years ago; Mr. Craig could not confirm. Mr. Craig stated the obstacles they encountered (gas line, signal sensor) forced a lot of the work to be dug by hand, which was a slow process.

Director Tonascia asked about the canal in Paicines. Mr. Craig reported staff did a lot of work there as well. Mr. Wittry added water will be flowing through the canal soon, hopefully by next Wednesday.

**9. General Manager's Report:**

**a. General Comments**

Mr. Wittry reported the District received an allocation of 15% for Ag and 65% for M&I as of February 1<sup>st</sup>; likely to be revised later by the Bureau. North of Delta received a 100% allocation. The District is considering participation in the Drought Pool at San Luis. Director Flores asked what the District' percentage of this water is. Mr. Wittry stated the total amount of the drought pool is 200,000 Acre Feet. CVP contractors are hoping to amass 84,000 AF. However, SBCWD's proportionate share is only 922-acre feet.

Because of what the District has stored in San Justo, the Ag contract customers will be given 35% of their request and M & I Small Parcel customers will be given their full allocation. Also, Mr. Wittry reported there is sufficient water for the two treatment plants to receive sufficient allocation to meet blending requirements.

Mr. Wittry further reported the District was again awarded the GFOA (Government Finance Officers Association) for the Audited Financial Statement; it was the eleventh year in a row.

**b. Reach 1 Operations**

Mr. Wittry reported Bifurcation will be shutdown in early April for approximately 1 week; District staff will coordinate the shutdown with Santa Clara Valley Water District.

**c. Zone 3 Operations**

Mr. Wittry reported there are still seepage issues at the canal. He would like to install a pipe to help solve the issue in the canal. To properly repair it, staff will have to postpone that installation until the river dries. Also, staff went out to Hernandez last week and water was twenty feet from the top of the spillway and approximately 150-acre feet of water per day is going through Hernandez. Mr. Wittry stated the plan is to install the new valve at Hernandez in July.

Director Williams asked about cleaning the debris in the canal. Mr. Wittry replied yes, staff hopes to do this next week.

Director Tonascia asked if it will be cleaned out before putting in the pipe. Mr. Wittry stated yes. He further reported he has had requests from customers and board members about using an area for additional percolation near Paicines Ranch. In speaking with Todd Groundwater, they actually started there years ago and can provide good information to the District on that area. Once he has the information, he will provide that to the Board for further discussion on percolation. There could also be more environmental requirements now for additional percolation in that were not needed years ago.

**d. Zone 6 Operations**

Mr. Wittry added, he would like to hold meetings with both the Zone 3 and Zone 6 committees to discuss deferred maintenance programs. This can be addressed through the budget process as a separate item in a Capital Improvement Plan.

Director Tonascia asked about the operation plan designed by Jeff Micko. Mr. Wittry reported the District is using an asset management plan through Nexgen now. Michael Craig said the District changed from Micko's plan to Nexgen, working with Alan Zeisbrich; staff much prefers this program.

**e. Accelerated Drought Response Project (ADRoP)**

Mr. Wittry reported ADRoP is at 100% design and staff intends to go to bid as early as April. District staff will be interviewing 2 firms for construction management in early March, which were chosen through the RFP process. Mr. Wittry invited the City of Hollister and Sunnyslope County Water District to sit on the interview panel.

Director Wright asked how the District will be compensated for the treated water from ADRoP. Mr. Wittry stated that has yet to be determined but will likely be in the Water Supply and Treatment Agreement Amendment. Director Wright asked

how we will capture our costs and Director Tonascia further asked how we will collect money to maintain the project. Mr. Wittry replied, in concept, the upgrade to the West Hills Plant will be subject to the same agreement.

Director Tonascia asked when was this project approved by the Board. Mr. Wittry stated the previous manager brought it before the Board; the only changes that have been done in the past several months is a relocation of the injection well field. Director Tonascia remembered the savings of \$10 million on the location change and the \$2 million on the well for the City of Hollister, but he would like to see it as a regular agenda item.

Director Wright asked about the previous well the City did and what happened. Mr. Wittry stated the City drilled a test well to a depth of less than 400 feet; the District had recommended they go 800 feet. The City staff at the time abandoned pursuit of that well site. However, District staff and consultants reviewed the data from this effort and, with current City staff approval, had intended to further investigate the site. Unfortunately, the cost of the borehole project precluded the additional investigation at City site. He further reported the environmental work continues and they continue to evaluate seven sites with the intent of completing 5. This allows for a change in locations should an individual site be determined 'unfit'.

**f. San Luis and Delta-Mendota Water Authority Activities**

Mr. Wittry reported the Authority approved water rates. Their fiscal year is the same as the water year. The Authority had to reevaluate rates 3 times this past year. Now, they are operating off of 2 scenarios, a 20% allocation and a 40% allocation; these changes can affect our costs.

**g. City of San Juan Bautista Water Supply Plan**

Mr. Wittry reported District staff continues to work with San Juan Bautista's staff. He had a meeting with the Council of Government's (COG) Director and discussed the proposed route from the West Hill's plant to San Juan. The optimal time for the pipeline installation would be August to December and would need an encroachment permit. The agreements would need to be brought to the Board fairly quickly so San Juan Bautista can obtain either a loan from the District or a USDA Grant. He further described the proposed bike lane/pedestrian path and discussed the cost savings for both the County and San Juan Bautista.

Director Flores asked about the timing. Mr. Wittry stated the bridging agreement is the most important, to cover the administrative costs. Director Tonascia asked if the agreement is ready. Mr. Wittry stated it is close, but San Juan Bautista turned their focus to the wastewater agreement with the City of Hollister; now they have returned focus to the water issues. Director Flores further asked if the original contract had a prepayment clause? Mr. Wittry stated the original agreement specified if they found more favorable funding, they could use it. The City of San Juan has also adopted rates to support both the water and wastewater projects.

A member of the audience, Ken Perry, asked why the water line couldn't go down next to the old highway. Mr. Wittry replied that the current plan is to install the pipeline within the old highway (new Frontage Rd).

10. **CLOSED SESSION:**  
**Public Employee Performance Evaluation - consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.**

**Title: General Manager**

**Authority: California Government Code Section 54957**

*(The Board convened in Closed Session at 6:15 p.m.)*

11. **OPEN SESSION:**  
**Report action if any**

*(The Board returned to Open Session at 7:30 p.m.)*

President Shelton stated the Board had no action to report.

12. **Adjournment**

With no further business to report, the meeting was adjourned at 7:31 p.m.

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Minutes were approved at the March 27, 2024 Board meeting and signed by the presiding board member.

*/s/Andrew Shelton*  
Andrew Shelton, President

*Barbara L. Mauro*

Barbara L. Mauro, Executive Assistant/Board Clerk